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*Effects of*  
AN  
*Emancipation*

ADDRESS

DELIVERED BEFORE

THE DEMOCRATIC REPUBLICAN CITIZENS OF

LEMPSTER, N. H.,

ON THE

EIGHTH OF JANUARY,

1839.

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BY EDMUND BURKE, Esq.,  
OF NEWPORT, N. H.,

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NEWPORT, N. H.

H. E. & S. C. BALDWIN, PRINTERS.

1839.



Lempster, Jan. 14th, 1839.

EDMUND BURKE, Esq.

Dear Sir—In pursuance of instructions from our Democratic Republican friends, the undersigned would beg leave to tender their warmest thanks for your very able, argumentative, and patriotic address to the Democratic Republican citizens of Lempster on the glorious 8th of January, and would respectfully request a copy of the same for the press.

MARTIN BECKWITH,	} Committee.
DANIEL M. SMITH,	
AARON MILLER,	
JOHN DODGE, JR.,	
LEMUEL MILLER,	
JOEL DAME,	
SAM'L P. CALKINS,	

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Newport, Jan. 15th, 1839.

GENTLEMEN :

Although I am confident that the Address delivered by me, before the Democratic Republicans of Lempster on the 8th inst., is not worthy of the high commendation which you are pleased to bestow upon it ; yet I cannot decline a request for its publication, particularly when it is expressed in such complimentary terms. The Address, therefore, is at your disposal. Be pleased to tender to our Democratic Republican brethren of Lempster, in behalf of whom you act, my sincere thanks for the civility with which I was treated on the occasion alluded to, and my best wishes for their success and prosperity, political and in other respects.

I am, Gentlemen, very respectfully,

Your friend and servant,

EDMUND BURKE.

To MARTIN BECKWITH, Esq., and others, Committee.



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## A D D R E S S .

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### *Introduction.*

FELLOW CITIZENS,

I am extremely gratified to behold an assemblage, so numerous and so respectable, as that which has convened here on this occasion. And I would assure you, that I am conscious that it is no high-wrought expectation of the powers and eloquence of the speaker who is to address you, that has brought you hither ; but a deep and abiding impression of the importance of the great event, which we have assembled this day to commemorate. And now, without promising anything that will interest you, I would bespeak your candid and careful attention to the remarks which I am about to submit. And this request becomes the more necessary, as a respectable portion of this audience is of that class of society, who, it is presumed, do not take a deep interest in the subject which will form the theme of my discourse. And I would take this opportunity to tender to that portion of the audience to whom I allude, my thanks for honoring us with their presence and countenance on this occasion.

Man is a creature of passion and impulse as well as of reason. He is operated upon by a vast variety of motives, which impel him in a thousand diverse directions. Hence collisions take place among men in the pursuit of their various objects, aggressions result, and finally, the termination is open hostility, or war. Contention and bloodshed have marred and defaced too many pages of the history of our race. But it is gratifying to know, that the light of knowledge and the spirit of the age, are rapidly softening down the asperities of the character, and mitigating the temper of our species, by supplying the mind and heart too long usurped by ignorance and passion, with just views of the relations by which we are surrounded in society, and with the higher moral sentiments of justice, benevolence and philanthropy.

The triumphs of arms have been celebrated by all people, and in all periods of history, as the most important events in the annals of nations. But, victories are worthy of the observance of men, only, as they are events which assure us of deliverance from oppression, or confirm the

ascendancy of liberal opinions over the doctrines of the absolutist and despot. The successes which proclaim the triumph of the usurper and tyrant over the rights and liberties of his fellow men, are events which should cause us to mourn, rather than to rejoice. But victories achieved in a glorious struggle to secure the independence of our country and the freedom of her citizens, are events which cannot fail to awaken emotions of the highest joy, and deserve to be noticed and honored, with those observances, which best express the satisfaction and gratitude which they excite. The victory of New Orleans, which we have assembled here this day to commemorate, is an event of the latter description. It was gained in a just and glorious cause. It was an event which proclaimed deliverance and liberty to our beloved country. It is unnecessary, as it would be improper, for me to go into a description of that celebrated battle, for the circumstances under which it was fought and gained, must be familiar to every intelligent citizen of our country. It is sufficient to say, that the Battle of New Orleans is one of the most celebrated on record, rivalling in splendor, & in the importance of its results, the celebrated battle of Plataea, which secured the liberties of Greece. It was hailed by the patriotic of our countrymen, with the most rapturous emotions of joy and enthusiasm. It terminated the contest in which our country was engaged with England, as has been most emphatically remarked, "in a blaze of glory;" & it secured to the illustrious Chief who commanded, and the brave soldiers who fought, an imperishable renown, and an immortality of fame. And however bitter and rancorous, however virulent and relentless, are the assaults made by political enemies upon the character of the venerable Victor of New Orleans, the name of ANDREW JACKSON is destined to occupy one of the proudest niches in the temple of fame, to emblazon one of the brightest pages of history, and to be remembered by mankind with admiration and gratitude—admiration for the splendid achievements of him who bore it, and gratitude for the great and valuable services he has rendered in the cause of human liberty and social improvement.



*Principal object of the Address.*

It is not my purpose to confine the remarks I may make on this occasion, to a consideration of the circumstances and consequences of the great event, of which this day is the anniversary; but to devote the principal portion of the time I shall occupy, to the consideration of topics of a political character. And as the name of the chief actor in the battle of New Orleans, is intimately connected with the political history of our country; and as he was, for several years, the head and leader of the Democratic Party, by whom he was elevated to the Presidency of this Republic, and to which we, fellow citizens, profess to belong; such an appropriation of the day will not be out of place, nor improper. Our theme on this occasion will, therefore, be of a political character.

*Parties inseparable from free government.*

One of the infallible incidents of a free government, is the division of the people into parties. That division, generally, proceeds from, and is based upon, opposite principles and tendencies, as I shall attempt to show hereafter. This republic, as all others have been before it, is subject to that division of parties, which is the unfailing consequence of its peculiar form of government. It matters not, particularly, what names parties assume. The real distinction between them, and which forms the line of demarcation; is the difference in the nature of the principles they profess in theory, and endeavor to carry out in practical government. In this country the anti-liberal party has been generally known as the FEDERAL PARTY; and the other party, as the DEMOCRATIC. To the last named party we profess, fellow citizens, to belong.

The name of a party as I before remarked, is substantially nothing; the principles which it professes, are the only things of importance, or worthy of consideration. We profess to advocate & support that great principle, or rather that class of political doctrines and principles, which are known under the general name of DEMOCRACY.—If we fully comprehend the nature of those doctrines and principles, and if they are based upon the sure and immutable foundations of truth and justice, it is our duty to abide by them, through every vicissitude of time and circumstance, and, as the individual members of a free government, recognizing as its first and fundamental principle, THE SOVEREIGNTY OF THE PEOPLE, we are bound to make those doctrines and principles the guide of our political conduct and action. I shall, therefore, attempt to elucidate briefly the nature of the DEMOCRATIC PRINCIPLE, and show its outward manifestation, or expression, in government.

There is no method by which we can obtain clear perceptions of truth, except to revert back to first principles. The deductions of all science & philosophy, are but the combinations, or rather, the concentrations, of elementary principles. In order clearly to comprehend and appreciate

the truths of science, we must analyse and resolve those combinations into their original elements. These remarks are as applicable to Government as to any science—for the science of Government, viewed in its true light, is the most important of all sciences,—the highest branch of Ethical Philosophy.

*The Democratic Principle.*

On a former occasion, and not unlike the present, I defined the DEMOCRATIC PRINCIPLE to be, "*that mighty and irresistible power of numbers which slumbers in the masses.*" It is the mighty throbbings of the heart of the People for freedom, improvement and happiness. It is that irrepressible and irresistible impulse, ever active and ever effective, implanted in our very being by the Great Author of all, which prompts the mass of mankind to raise and elevate themselves in the scale of moral and intellectual improvement, and to attain the noble destiny, for which their capacities and attributes are so obviously and eminently designed. This impulse, (or aspiration it may more appropriately be called,) has ever operated upon the mass of the People with the pressing energy of an elastic spring, sometimes with more efficiency than at others, to impel them along in that career of improvement for which their nature and faculties are fitted and destined. Its operations and effects can be traced in the rudest ages, from the very moment when man first congregated in social communities. Its workings among the masses can be distinctly seen in the tumultuous and turbulent democracies of Ancient Greece. It may be clearly perceived in the effervescence of popular passion which sometimes disturbed the equanimity of the higher orders in the Republic of Rome. The gloom and terror of the Dark Ages, for a time, chilled its energies, and repressed its action. But, with the Reformation, it again broke forth. Then the sun of science arose, and shed its glorious and resplendent beams, upon a dark and benighted world. Then the art of Printing, the Telescope, the Microscope, and the Mariner's Compass, the great agents of advancement, civilization and refinement, were invented. Again the DEMOCRATIC PRINCIPLE commenced its glorious work, and pursued its mission with redoubled energy and power; and the results, the wonderful and surprising results, which, with its illustrious ally, the *Christian Principle* it has wrought out since then, are familiar to all intelligent observers. At the last period referred to, it found the *Many* manacled in chains, and reduced to the lowest degradation. They were sunk in the grossest ignorance and superstition, and their lives, liberty and property, were at the mercy of the despotic *Few* who had made themselves masters of the world, and had, arrogantly and impiously, placed their feet upon the neck of the People. It is the glorious energy of the DEMOCRATIC PRINCIPLE which has raised man from his humble prostrate condition, and elevated him to that degree in the scale of improvement at which we



now find him. It is the origin and author, of all the great beneficial changes which have taken place in the social and political world. Should we seek for the causes which rendered Greece so illustrious in arts and arms—should we ask why Athens is so famed in story, for her philosophy, her eloquence, her architecture, her statuary, her painting, and above all her political institutions—should we ask how Rome became the mistress of the world and the arbitress of nations—should we look for the causes of the wealth and power of the Republic of Carthage—should we seek to know whence the light of the Reformation—whence the power which impelled our Pilgrim Fathers to the Rock of Plymouth, to found an empire whose progress from infancy to maturity, is almost like a vision, fleeting indeed but splendid, before the eyes of nations—and whence the more illustrious results of our own glorious Revolution?—We return to the wonderful workings of the DEMOCRATIC PRINCIPLE & the mystery is solved. But how the heart of the philanthropist and the lover of liberty, dilates with emotions of joy and gratitude, at the contemplation of such a chain of magnificent effects! And reasoning from the past what glorious hopes fill his bosom! What brilliant visions of the future burst upon his mind! He looks into the depths of futurity and sees in the lapse of time, the ultimate, but certain, regeneration of man in his moral and social condition. He beholds him in the full enjoyment of intellectual light and liberty; emancipated from the mists of ignorance and the terrors of superstition; free in thought and action as the viewless breezes that roam unrestrained around him; and guided in his intercourse with his fellows, by the simple sentiments of truth, justice, and benevolence.

*Brief view of the different forms of Government—of Democratic Government.*

I have thus far spoken only of the *Democratic Principle* in the abstract, and in its effects; for it is a hidden principle like intellectual power, and like that, known only by its manifestations or the effects which it produces. I shall now speak of its manifestation in the form of Government.

There are now, and ever have been, but *three* principles of Government:—the government of the *One*, and the government of the *Many*. The former has assumed three peculiar modifications in this country, in which it is most fully recognized in theory. Every law, and every form of government, which favors a single individual, or a class of individuals, is a violation of that principle. In this country the most obvious violation of that principle, is, the creation of corporations. Every grant of power and privilege by the Legislative will of a state, is an abstraction of a corresponding proportion of power and privilege from the sovereign power, and gives them to the *Few*. Therefore the grant of every corporation, is a violation of the democratic principle of Equal Right. The benefits



which a corporation confers upon a community, *may be* a fair equivalent for the amount of power which is granted to it, although such a conclusion is not clear of doubt. Common business corporations are the least obnoxious of that class of ideal personages—beings, as has been shrewdly remarked, “without bodies to be kicked or souls to be damned.” They originated in Rome during the reign of the Emperor Numa, and were associations of capital and skill for mere business purposes. They were, therefore, favored as well by the emperors as the Republic afterwards. In England, at one period of her history, corporations were also highly favored. According to the theory of the British Constitution, the sovereignty resides solely in the monarch. All grants of immunities and privileges to corporations, therefore, deprived the Crown of a corresponding proportion of power and influence. In the ruder ages of the British Monarchy, the people had little protection from the rapacity of the sovereign; and corporations, as they deprived the crown of its power & influence to some extent, and acted as barriers between the king and the subject, were therefore highly favored by the courts and Parliament. Yet, their rights were not in England, as they have been claimed to be by their friends in this country, deemed sacred and intangible. The doctrine of “*vested rights*” had not then built around corporations, a wall of sanctity which could not be overleaped. They were not dignified by the name of contracts, and therefore, covered and protected, with the impenetrable shield of inviolability.—But, they were even in England, (and in Rome also,) subject to the Legislative power. Parliament always exercised supreme power over them. It could and did unmake them when it pleased. A signal and remarkable instance of the exercise of this power, was the total and complete suppression of the monasteries, in the reign of Henry the VIII. But, in this country, they assume to be above the law and the people. The people can make and unmake their constitutions of government when they please; they have supreme power over the laws they enact; they can overturn judicial tribunals and erect others in their stead; they can exercise the highest powers of sovereignty; but they cannot touch a corporation! A petty corporation for manufacturing negro cloths, or paper dollars, is deemed by the friends of those bodies a more sacred thing than the constitutions of our government, state, or national. It derives its very being and existence from the legislative power, and that power is ever under the control of the people; yet, a corporation is too sacred a thing for the people to lay their profane and vandal hands upon! In this instance the creature aspires to be above the creator! How preposterous and absurd the assumption! But the evil of the assumption is not in its absurdity. Were the doctrine contended for by the friends of corporations, to be admitted by the people, the most dangerous consequences would ensue. The liberties of the people would, in process of time, be substantially legislated away, and this country would present to the world, the strange anomaly of a republic governed by an oligarchy of corporations. The doctrine of “*vested rights*,” or the inviolability of charters, should be repudiated upon the very threshold. It is false in principle, absurd in theory, and most mischievous and dangerous in practice. I shall waive for the present any farther general remarks in relation to corporations, and pass to the consideration of a class of corporations which have grown up in this country within the last thirty years, and attained to a degree of power and influence, that threatens to shake the government of this republic to its foundation, if not to revolutionize its present form—I allude to *Banking Corporations*. And I would here say, that the remainder of this address, will be devoted to a consideration of the prominent questions growing out of the Banking System, Exchanges, &c. &c. which are now undergoing a thorough discussion by the American People,—a discussion which cannot fail to elicit the truth.

#### *Prediction of William Pitt.*

The celebrated British Statesman, William Pitt, once made the following remark in reference to this country: “*Let,*” said he, “*the Americans adopt the funding system, and go into their BANKING INSTITUTIONS, and their boasted independence will be a MERE PHANTOM.*” The first was adopted through the influence of Gen. Hamilton, then Secretary of the Treasury, and the last the Americans have ‘gone into’ deeper much than any other nation. The former, however, we have got rid of, by the payment of the National Debt, through the instrumentality of the illustrious JACKSON. It remains to be seen, if the event consequent upon our “going into” the Banking system, will not justify the prediction to which I have alluded. The intelligence and patriotism of the people alone can save our country, from the catastrophe foretold by the sagacious and profound statesman, whose words I have quoted.

#### *Views with regard to Banks and Banking.*

Banks of some description or other, have long existed. They were not unknown in the Republic of Rome; but there jewellers were generally bankers, and received and paid out money. A Bank was established in the city of Venice during the era of its commercial prosperity. Banks have been established in the cities of Amsterdam, Hamburg, and many other places; but they were *Banks of Deposit* and *Discount* differing radically in principle from the Banking system of this country, and of England; and free from the evils and objections, which exist against the British & American Banking systems. *Banks of Circulation*, that is, Banks possessing the power to *manufacture* the money they loan, were first introduced in England. The Bank of England was the first, and is the only incorporated institution in that country: the other Banks



being mere private copartnerships, like the unincorporated Banks of Scotland, the private property of whose members is holden for the redemption of their liabilities. But, such a rotten, corrupt, and mischievous system of Banking as this country is now cursed with, has never been known in any other age nor nation, nor would it be tolerated even in England, the mother of monopolies, exclusive privileges, and legislative favoritism.

#### *Amount of nominal Bank Capital.*

The bare statement of the amount of Banking Capital in this country, shows conclusively, that the system is a STUPENDOUS FRAUD upon the people. The Banks of this country profess to be founded on *real* capital, and specie is the only real capital on which they can be founded. Yet, a statement of the amount of specie in their vaults, and in the country, and of the amount of the capital "*paid in*," as they say in their reports, shows that it *cannot be true* that the capital of the Banks is a specie capital; the only true and legitimate capital for Banking. It appears by a document on the subject of Banking in the United States, published by order of the Senate at the last session, that, on the 1st of January, 1835, the number of Banks and Branches in the U. S. was 594, with a capital "*paid in*" of \$331,250,173. In December 1837, the number of Banks and Branches was 882, with an "*authorized capital*" of \$440,195,710. The specie in the vaults of the Banks on the 1st of January 1837, was \$37,913,340; and the whole amount of specie in the country, including that in the Banks at that time, was supposed to be about \$80,000,000. It cannot, therefore, be pretended for a moment, that the \$331,250,173 of Banking capital, not indeed one *seventh* part of it, could be composed of specie. Of what then does it consist? Of mere moonshine, or something quite as unsubstantial, as a little enquiry will show.

#### *Deceptive mode in which Banks are created.*

To illustrate the manner in which Banks are got up, and to show the nature of the Bank "*capital*" of this country, I can do no better than to borrow from Gouge's celebrated work on Banking, an abridged account of the origin, or *modus operandi* of creating a country Bank; which will serve as a specimen of the whole. It is this—We will suppose a county to contain a thousand families of ten persons each, and each family to be worth \$5000. The wealth of the community is then \$5,000,000. One tenth of the wealth of each family, or \$500 each, we will suppose to be in silver money, or gold. The remainder is in other kinds of property. The distribution of wealth is left to nature, that is, to equal and just laws. Every man enjoys what he produces and what he saves, and no man enjoys what is produced and saved by another. The yearly income of the community is \$1,000,000 or \$1000 to each family, \$700,000 of which is derived from industry, and the rest from capital at the rate of six per cent. profit. Ten individuals of

this community who are of a speculative turn of mind, grow tired of the labor of producing and saving, and wish to grow rich in some more easy and expeditious way. They apply to the Legislature for the charter of a Bank with nominal capital of \$100,000, which is obtained. The charter provides that the capital stock shall be divided into 1000 shares, and that as soon as \$5 is paid in upon each share the Bank shall commence operations: the remaining payment to be regulated according to the direction of the stockholders. As the business of Banking is novel and unknown in the community, people are not ready to take stock, and the whole capital is therefore subscribed for by the ten persons who take each 100 shares, pay down \$50 each, which constitutes a real capital of \$5000. The Bank then commences operations. It issues \$25,000 in notes which is in proportion of 5 to 1 of the capital stock, which is in fact a more equal proportion than the circulation which the majority of Banks bear to their *real* capital stock, some as appears by a late report of the Massachusetts Legislature having a circulation of 13 to 1. The notes of the Bank are borrowed by the ten individuals as speculators. Thus it will be seen that each individual has \$2500 at his command instead of \$500. The residue have each only their \$500 of cash capital. The speculators therefore, have each \$2000 more of pecuniary means at their command, than their neighbors. By calculating the use of the money at six per cent., the annual income of the ten speculators is \$1120, instead of \$1000, which it would have been without the agency of the Bank; and the advantage which the Bank charter gives them over their neighbors is therefore worth to each \$120 per annum. It is true they pay to the Bank six per cent. on the money they have borrowed, *as individuals*, but they receive it back again, *as stockholders*. Thus it will be seen, that the \$500 would produce to each speculator but \$30 a year; with the aid of the Bank charter which enables him to make it into \$2500, it yields him \$150. Is not the great principle of EQUAL RIGHTS violated in this operation? Most clearly. But this is but the commencement of the business. The stockholders at length conclude to pay in the whole capital stock, and this is the way the operation is performed. They give their "*stock notes*," as they are called, on demand to the Bank; which is, in plain English, giving their *individual* notes to *themselves* as *stockholders*; and thus the Bank capital is all "*paid in*," and the machine goes into operation to the full extent of its chartered privileges.

They then go on and issue their notes as a corporation *without* interest, which the community purchase as money, with good notes *with* interest. The Bank loans out all its capital, except a little specie, which it retains in order to get the character of a "*specie-paying*" Bank.—It issues its notes to the amount of \$100,000, its capital stock. Thus the ten speculators, setting aside the \$5000 in specie which they keep in



their vaults, and their "stock notes," amounting to \$95,000, receive interest at 6 per cent. on \$100,000, when in fact their real capital is but \$5000. This is not their only source of profit. The public after a while get into the habit of depositing their surplus money in the Bank. These deposits answer as so much additional capital, and are made the basis of loans and circulation. Thus it is clear, that nearly all the capital of a Bank, as those institutions are constituted in this country, is in fact *borrowed* from the community, for the use of which that very community *pay interest to the Bank*. Is not this a violation of the DEMOCRATIC PRINCIPLE—a violation of Equal Rights? Most truly has the Banking system been called a "PRIVILEGED FRAUD," and a stupendous one. It enables the *Few* to grow rich, who produce nothing, at the expense of the *Many*, who produce every thing of value.

#### *Banks of circulation and their evils.*

Against *Banks of Deposit and Discount*, the true commercial system of Banking, nothing can be urged. *Banks of circulation* are the vampires which suck up the life blood of the community, and destroy its healthful energies.—The great evil which flows from them, grows out of the power which they have to *make* the money which they *loan*. The managers of Banks, like all human beings, are stimulated with the love of gain. Having the power, it is not surprising that they should manufacture just as much money as they can loan, without producing a reaction which will destroy, or derange the machines, with which they operate. And hence the ruinous *expansions* and *contractions* of the paper currency, which are the bane and the curse of this country; constantly producing overaction and revulsion in trade and commerce; ruining thousands in their transitions; and outrivalling the sweeping tornado in the distress and desolation, which they produce. I will endeavor to illustrate the evils which flow from the *expansibility* of a paper currency, and its concomitant, *contractibility*.

When the state of trade is favorable, and there is no call upon the Banks for specie, they feel a natural desire to *extend* their business, and thereby *increase* their profits. Applications are made for loans, which are supplied on good security. The money borrowed of the Banks, is used in business. It goes to purchase lands, houses, merchandize, and all kinds of property. This example stimulates others to apply for loans, which farther increase the amount of the circulating medium; trade in all its branches is still more extended; the prices of things rise rapidly; large speculations are made in real estate, cotton, and other property; importations of foreign goods increase; and everything bears the *appearance* of real and unbounded prosperity. The mania begins to pervade all classes; lenders become borrowers and commence the business of speculation, in the hope of more rapidly increasing their

fortunes. The operation goes on until the amount of the circulating medium exceeds its relative proportion with that of other nations. Prices increase in proportion, and at last get so high that the foreigner, who furnishes us with fabrics, cannot afford to take his pay in articles of our production, nor will he take it in paper money; for that is worth nothing to him. He, therefore, demands the specie for the balance, which is due him. That must come from the Banks. In order to meet the demand of specie for exportation, the Banks are obliged to refuse further accommodations, and even to curtail their issues; and then commences the revulsion. Lenders grow suspicious of the borrowers; the rate of interest rises to an enormous per cent.; prices fall; first that of labor, for the employer, deprived of means, must turn the laborer out of employment; and the consummation of the catastrophe, is bankruptcy, ruin, and distress. A stagnation of business takes place, and men, having but little else to do, begin to quarrel about the *causes* which produced the calamity. Through the agency of the natural energies of the People, the country at length revives from the shock, the Banks again expand, and the same circle of overtrading, panic and bankruptcy, is again described. This is no exaggerated picture—it is sober fact, as an appeal to the history of this country for the last thirty years, will abundantly prove.

#### *The "Panics" growing out of the Banking System that have taken place.*

In 1816 a state of things existed very similar to that in 1836, that year of boundless prosperity, which was the harbinger of, and which ushered in, the terrific panic of 1837; which will be noted as an epoch in our history. On the first of January 1811, the Banking Capital of the United States was \$52,610,000. On the 1st January 1816, it had been increased to \$89,820,000. In 1811 the Bank note circulation was \$28,000,000; in 1816 it was \$110,000,000. In consequence of the resumption of specie payments in 1817, the Bank circulation was reduced to \$60,000,000. The bankruptcy and distress which was produced throughout the Union, by such a sudden and enormous contraction of Bank issues, have never since been paralleled. Real estate fell one half, and other descriptions of property in proportion. In 1819 another revulsion took place, growing out of like causes. The new Bank of the U. S. had gone into operation two years before, and had added \$35,000,000 to the Banking capital of the Union, and 10 or 15 millions to the circulation. A scene of speculation in public lands, and in other property ensued, similar to that which occurred in 1824—5 and 6, and was followed by like disastrous results. Another panic took place in 1822; another in 1825; another in 1828; another in 1834, created in part by politicians for party purposes; and the last and *seventh* in 1837, when the grand event was con-



annihilated by the universal suspension of specie payments by the Banks.

### *Causes of the late Pressure.*

It will not be uninteresting to examine briefly into the causes of this last panic, and to trace its history. The immediate causes were set in operation in 1831 by the Bank of the United States, when it commenced its war upon the Government, with the view to force from it a recharter. During that year, and in the first six months of 1832, the U. S. Bank increased its loans and discounts from about \$43,000,000 to over \$70,000,000. In August 1833 it commenced its system of *contraction*, and in one year reduced its loans nearly \$17,000,000, its circulation about \$3,000,000, and increased the specie in its vaults, about the same amount, which of course was abstracted from the general circulation of the country. The State Banks acted in unison with the mammoth Bank. When the great monster expanded its dimensions, like the frog in the fable, they expanded theirs. When the great monster contracted, they contracted; and hence the panic of 1834, and the commencement of that premeditated scheme of operations, which produced the panic of 1837. On the 1st of September 1834 the loans of the U. S. Bank were \$47,058,493; Specie \$13,863,897; circulation \$10,298,577. On the 1st of June 1835 it had increased its loans to \$63,642,646, and its circulation to \$22,009,474; specie remaining about the same as in 1834. On the first of January 1837 its loans were about the same, but its circulation had been *reduced* one half. On the 1st Jan. 1834 the whole number of Banks in the U. S. exclusive of the National Bank, was 506; the whole amount of their loans \$324,119,499; circulation \$94,839,520. On the 1st Jan. 1837 the number of Banks had increased to 634; loans and discounts to \$525,115,702; circulation \$149,185,840. Thus was added in the space of three years to the Banking facilities of the country the enormous amount of TWO HUNDRED AND SEVENTY TWO MILLIONS; of which 217 millions were in loans and discounts, and 55 millions in circulation. To this may be added \$30,000,000 of specie, introduced into the country by the policy of General Jackson's administration, which might have increased the stimulus to overtrading, but mitigated the pressure which followed. Here then were adequate causes for the extraordinary overtrading of 1836, and the sweeping revulsion of 1837. Its effects were immediately seen in the sales of the Public Lands, in the increase of importations, and in general speculation, which extended to every country village, to every water privilege, and even to the granite ledges of the mountains. In 1834 the sales of Public Lands amounted to \$6,099,981; in 1836 to \$15,999,805; in 1837 to \$25,167,833; in 1837 *after* the panic they were reduced to about \$7,000,000; in 1838 to \$3,136,828.

The amount of foreign imports for the year

ending Sept. 30th 1833 was \$108,118,311; in 1834, \$126,526,332; in 1835, \$149,895,742; in 1836, \$189,980,035; in 1837, \$140,989,217; in 1838, \$112,000,000. In 1837 the Bank circulation was reduced to about \$90,000,000 and their loans and discounts nearly in the same proportion, and thus the panic of that year was produced. Was ever cause and effect more clearly conjoined? How can any intelligent man doubt, that the late commercial pressure in this country, is to be attributed to the mischievous and ruinous Banking System which we have adopted? I do not hesitate to declare, that he who investigates the facts in relation to this subject, and then charges the late pressure to the measures of the Government, must be either deficient in mental acumen, or depraved in his moral principles. He may select the character which will suit him best. On the contrary, the Government has done every thing within its limited means to prevent it, and to soften its rigor when it came upon us. The introduction of some 40 or 50 millions of specie, the specie circular, and the new valuation of the gold coinage, mitigated much the effects of the re-action which the Banks brought upon the country. No, it was not the Government, it was the *Banks* which caused the late commercial crisis. And they will in every period of three or four years, produce just such effects, as long as they exist in their present form, with the vast powers for evil which they possess. We have since 1816 had *seven* panics. Their periodical return is as regular as the ebb and flow of the tides of the ocean. The *eighth* will come. Already are the signs visible which portend its approach. And for the benefit of my friends I will here venture to make a prediction. The next two years will probably be years of great prosperity, the last *apparently* the most prosperous. During that period they can safely venture abroad a considerable distance, upon the stormy and treacherous ocean of credit. Then they must tack ship, take in sail, and prepare for the tempest which will sweep over them in 1840 or 41. If the Independent Treasury is adopted, it will operate as a counteracting cause against the over-action of the Banks; and *perhaps* prevent, or postpone and mitigate, the catastrophe which such over-action will inevitably produce.

We often hear the expressions "money is plenty," and "money is scarce." These are but another way of saying, "the Banks have *expanded* their issues," and "the Banks have *contracted* their issues." And from the facts I have stated an important deduction may be drawn, namely:—*That Banks reverse the very purpose for which their friends say they were created*—they *expand* when they *ought* to contract, and *contract* when they *ought* to expand. When credit is strained to its highest tension, and men want money most, they contract; when credit is at its lowest minimum, they expand. The community is ground to pieces in the operation,



*Views respecting the source of value and the nature of money, and the effect upon contracts by the expansion and contraction of the measure of value.*

The evils of the Banking System of this country are innumerable, but I have time and space only to touch upon the most prominent. Overtrading and consequent revulsion, are not the only evils which flow from a currency, that possesses such vast powers of *expansibility* and *contractibility*. Money is the measure of *value* in the exchange of commodities. It is the standard by which the prices of all other articles are regulated. The yardstick and the bushel are used only to measure *length* and *quantity*, in the business of exchange. *Labor is the source of all value*. Animal muscles and labor-saving machinery, are the only producing powers which are known in the world. Labor may be said to be all the value that there is in the world. No thing that exists, is valuable except that which is produced by labor. Labor produces every article of necessity, luxury, or commerce. A thing is worth so much because it has required so much labor to produce it. Silver and gold possess *inherent* value, only in proportion to the labor required to dig them from the mines. If a bushel of corn is worth a silver dollar, it is because it has required an amount of labor to produce it, equal to the amount required to produce a silver dollar. A piece of gold weighing as much as a dollar, is worth fifteen silver dollars, because it has cost, on account of its rarity, just so much labor and time to produce it as it would to produce fifteen silver dollars. Paper money possesses no *inherent* value more than the cost of the paper of which it is made, because it has required but little labor to produce it. Gold and silver have been adopted as the medium of circulation, or the measure of value, by all nations, because the amount in the world, which is about 4000 millions, remains nearly stationary; and therefore, it is a *permanent* measure of value. It cannot be greatly increased in amount, nor is it likely to be much diminished; and therefore, unlike paper money, it possesses but little *expansive* and *contractive* power. By such a standard of value, it is perfectly safe to make contracts. If specie were the only medium of circulation, or measure of value, it would be safe to contract at the *present*, to pay at a *future* time; for a dollar many years hence, would be worth just as much as a dollar is now worth. *But, it is not so with a medium composed of paper*. With such a medium it would be unsafe to contract a debt at the present time, to be paid at a future. To illustrate this point I will suppose a case:—The paper circulation is now \$100,000,000; wheat is selling at \$1 per bushel and other things in proportion. A contracts with B to pay him \$100 in wheat two years hence. The consideration of this contract is a fine yoke of oxen valued at \$100, for which B expects, and supposes he is to get, 100 bushels of wheat. In the meantime the

Banks expand, and the circulating medium, or measure of value, is increased to \$200,000,000; the prices of things rise in proportion; wheat is now at \$2 per bushel; and A pays his debt with fifty bushels, instead of one hundred, as he in truth expected and promised, thus making fifty bushels of wheat by means of this operation of the Banks, while B. loses that quantity. This operation of the Banks has the precise effect of an *ex post facto law*, or a law impairing the obligation of contracts. The effect of it is just this—he who contracts when the circulation is at its minimum, and pays when it is at its maximum, reaps the benefit in proportion to the increase of the measure of value, while the other party loses; but he who contracts when the circulation is at its maximum, and pays when it is at its minimum, loses money by the operation, while the other party gains by it. Paper money, therefore, is an unsafe standard of value by which to make contracts to be performed at a future time. As has been shrewdly said, it is like buying and selling with an india rubber yard stick, which to-day is eighteen inches long, and to-morrow three feet; or like a bushel which measures sixteen quarts to-day, and to-morrow, thirty-two. Would men buy cloth, or sell corn, by such measures of length and quantity? Just as absurd is it to make contracts by such a standard of value as paper money. The value of a paper dollar is as uncertain as the Paddy's flea—when you put your finger upon him he an't there. Thus do the community lose millions upon millions by the *expansions* and *contractions* of a paper medium. It is one of the most enormous evils of a paper system, while it is the least understood. By it every man's farm, his horses, his cattle, every species of property he possesses, are affected. No advantages of the Banking System can compensate for this stupendous evil, and nothing but a country rich in all the elements of wealth, and a people transcending all others in skill, enterprise and energy, could exist and flourish under it. Adding to the amount of the circulating medium does not increase its value. It dilutes it as water does alcohol, and deranges the value of the contracts which men make with each other. But it could make no great difference if it would remain stationary, for the prices would ultimately adjust themselves. But, this is but one of the items in the budget of burdens, which the Banking System imposes upon the people of this country.

*Enormous indirect tax which the People pay to support the Banking System.*

In addition to the vast amount which the People lose by the expansions and contractions of the Banks, they pay an enormous tax for the *privilege* of having the *facilities*, (more truly evils,) which Banks furnish, as a few facts will abundantly prove. On the 1st of January 1837, the amount of Banking Capital said to be "*paid in*," was over \$331,000,000. Supposing that to be



all real capital which, if there were no Banks, would be loaned by capitalists, the interest on it at 6 per cent. would be \$19,860,000. It appears by the document published by order of the Senate before referred to, that, of the \$231,000,000 of Banking Capital in the Union on the 1st of January 1837, including the United States Bank; \$20,301,550 was vested in real estate; \$12,407,112 in stocks; and \$14,957,944 in other investments, making an aggregate of \$47,666,606. On this sum the Banks, like other capitalists, would receive 6 per cent. leaving \$283,583,731 of capital on which to base their loans and discounts. At the period named they had made loans and discounts on the last named sum, to the amount of \$582,509,049, the interest on which, at 7 per cent., the Banking rate, amounts to the enormous sum of \$40,775,563. If the owners of the Bank capital not invested in real estate, &c. did not possess corporate privileges, they would draw interest at six per cent. only, on that sum, which would amount to \$17,015,023. They therefore now tax the people TWENTY-THREE MILLIONS, SEVEN HUNDRED AND SIXTY THOUSAND, THREE HUNDRED AND TEN DOLLARS in the shape of *interest* more than they could, if they possessed no corporate powers. Such a sum nearly equals the revenues of this Government, and would produce a revolution if levied yearly upon the people in the shape of a direct tax. The pecuniary operations of the Government sink into insignificance in comparison with the operations of the Banks. They are but a drop in the bucket. I cannot be mistaken, for my calculations are all made from returns furnished by the Banks themselves. How idle then to pretend, that the late measures of the Government could affect, to any great extent, this vast system of monetary operation!

*Losses sustained by the people from the failure of Banks.*

But there is another item in the budget of burdens which the people bear from the Banking System, and that is, from the failure of those institutions. Since the establishment of the present constitution of the United States, about 200 of those corporations have failed, causing the loss of millions. It was calculated by Sylvester's Reporter, a paper of great accuracy published in New York, and devoted to Banking concerns, that the loss which the public suffered by the 6 or 8 Banks which failed in Boston last winter, amounted to EIGHT MILLIONS OF DOLLARS. The loss which the people have sustained from this source must, therefore, be enormous.

*Loss sustained by the people from counterfeit.*

But there is still another item of loss which the public sustains, and that is from *counterfeit notes*. I have taken pains to estimate the number of counterfeits on the Banks of the United States, and the loss sustained, if only one note of each counterfeit is passed, and also if 100 are passed, yearly. The following table will exhibit the result.

*Counterfeits on the U. S. Bank.*

Denomination of Notes.	No. of counterfeits upon it.	Am't lost if one bill only is passed.	Am't lost if 100 bills are passed.
\$5's	46	\$230	\$23,000
10's	45	450	45,000
20's	20	400	40,000
50's	3	150	15,000
100's	13	1,300	130,000
500's	2	1,000	100,000
	129	\$3,530	\$353,000

*State Banks.*

\$1's	15	\$150	\$1,500
2's	18	36	3,600
3's	14	42	4,200
5's	186	930	93,000
10's	108	1,080	108,000
20's	41	820	82,000
50's	21	1,050	105,000
100's	12	1,200	120,000
500's	1	500	50,000
1000's	1	1000	100,000
	4.7	\$6,673	\$667,300

Thus it appears that there have been 516 different counterfeits of the notes of the Banks of the United States, which would occasion a yearly loss to the people, of \$10,303 if one of each kind were passed, and \$1,020,300, if 100 of each kind were passed. This may fall far below the real amount.

*Money can be obtained without Banks.—Amount of the productive industry of the country.*

With such tremendous facts staring them in the face, can the people doubt respecting the evil effects of the Banking System? I am aware of its seductive influences. I know it lures the people from the contemplation of their true interests, with its syren voice and its insinuating appliances. It furnishes them with money, which is deemed the most desirable of all earthly possessions. But they can get money without Banks. Does any one ask how? I answer—LABOR will procure them all the metallic currency which they need. Labor as I have before remarked, is the source of all value. It provides for us all the comforts and luxuries of life. It builds our houses, our villages, our cities; it constructs our roads, our rail roads, our canals; it builds our ships and produces the cargoes which they carry to other climes; it provides us all with the food we eat and the clothes we wear. It produces every thing that is valuable. Money cannot be had unless we have something to *buy* money with. Labor will produce that something, and labor alone can produce it. Let us for one moment, stop and consider, the immense amount of value which the productive power of this Republic yields annually. Mr Edward Everett, in 1830, estimated the whole



amount of the productive industry of the people of the United States, at 1000 millions. By Mr Niles, late editor of the Register, at the same time it was estimated at 1066 millions. At the present time Mr Benton, whose industry in the collocation, and whose accuracy in the statement, of facts are excelled by no man in this country, has estimated the value of the *Agricultural production* of this country alone at ONE THOUSAND MILLIONS. By a statement in the American Almanac for 1839, it appears that the amount produced by mechanic industry in the state of Massachusetts for the year ending April 1st 1837, was \$91,765,215. This of course included the amount produced by machinery. Massachusetts probably does not contain one sixteenth part of the population of the Union. It cannot therefore be unreasonable to suppose that the value of the *Mechanic labor* including machinery, of this country, cannot be less than FIVE HUNDRED MILLIONS. Thus it would appear that the whole amount of value, produced by the people of this country yearly, cannot be much, if any, less than FIFTEEN HUNDRED MILLIONS. It would take but one fifteenth of this vast production, to furnish the people with 100 millions of gold and silver; and less than one *seventh* would give them 200 millions. It is not, therefore, an undertaking so difficult as many imagine, for the people of the United States to furnish themselves with a circulating medium, which shall be entirely composed of the precious metals. And here I do not hesitate to say, that I am opposed in principle to the present Banking System with its accumulated host of evils, and its mammoth load of dark and heinous sins, but I am *not* opposed to a system established upon *just* and *safe* principles.

*Can the present Banking System be rendered safer than it now is?*

But if the present system is entailed upon the country beyond the hope of redemption, it should be so restrained and regulated, as to deprive it of its power to do mischief as much as possible, and every effort should be made to increase its power to do good. What measures of restraint and regulation should be adopted, has troubled the wisest heads. Adam Smith, a celebrated writer on Political Economy, in his "Wealth of Nations," expresses it as his belief, that a paper currency system would be safe, if Banks, first were allowed to issue no more paper than an amount equal to the sum of metallic money which would circulate, if there was no paper. 2. The unconditional redemption of their notes by the Banks in specie. 3. That the *consumptive* circulation, or that in general use by the people, should be specie. The experience of every country where the paper system has been tried, has proved the two first remedies to be fallacious, and the last only effectual so far it goes. It is impossible to prevent Banks from exceeding the due proportion of issues as compared with the currency of other nations; and the plan of requiring them to redeem their notes in coin, some of the most eminent British statesmen, (among others the late Mr Huskisson and Lord Wellington,) have declared to be impracticable. The second remedy suggested by Adam Smith, has been proved by experience to be too tardy in its operation. The only practical remedy which would approach any where near to a perfect one, would be 1st, to provide a *consumptive* circulation of metallic money, which can be done only by driving bills of a less denomination than \$20 out of circulation—and that can be effected only by legislation—for when a cheaper currency is allowed to circulate with a dearer, the latter becomes an article of merchandize, and disappears from general circulation. 2. The Banks should be required to redeem their notes in coin when presented; and 3d. if they failed to do that, they should become subject to a bankrupt law, (as suggested by Mr Van Buren in his message at the Extra Session,) and their affairs should be closed up immediately. Such checks and penalties would produce all the restraint upon them, which could be produced; and with the antagonist action of the Government Treasury, which recognized in its operations no other medium but gold and silver, the Banks might be kept within due bounds, and become safe and salutary instruments of trade, instead of remaining as they are, mischievous and dangerous engines whose rampant power is as potent and irresistible as the earthquake, and as destructive and desolating in its explosions.—Most truly, as I before remarked, is the Banking System of this country *as at present constituted*, a stupendous "PRIVILEGED FRAUD." And what renders it more atrocious, its expenses, and its evil effects, are all borne and felt, by the laboring and producing classes of the people. Labor pays the enormous tax it levies in the form of interest. If the currency *expands*, the rents, the provisions, and the clothing of the poor man, are the first to feel the effects, and rise in price; and his own labor, the last. If it *contracts*, as capitalists and employers are stopped in their operations, the laborer is thrown out of employment, and his only source of wealth and sustenance, which is his own labor, is the first to fall. During the first of these effects the poor man wonders why his labor, which before produced him two barrels of flour a week, now produces but one. When the last is felt, he is equally surprised that his labor will produce him nothing. If he would look into the causes, he would find the author of his misfortunes and calamities, to be PAPER MONEY. If a Bank fails and throws a loss upon the community, labor sustains that. The knowing ones anticipate the event and prepare for it, and the loss falls upon the honest and unsuspecting farmer, mechanic, and laborer. If counterfeits are issued, the laboring and industrious classes are the chief sufferers from that source; for not being so well acquainted with the character of paper money as the trading classes, they are the last to discover the cheat, and therefore are compelled to bear nearly the whole of the evil.



*Opinion of Daniel Webster respecting a paper currency.*

Many distinguished men in England and this country, have spoken and written, well and truly, upon this subject; but none more truly, and more emphatically, than the Hon. Daniel Webster. In a speech delivered in Congress in 1832, Daniel Webster said:—

“Of all the *contrivances* for CHEATING the laboring class of mankind, none have been more effectual than that which DELUDES them with *paper money*. THIS IS THE MOST EFFECTUAL OF INVENTIONS TO FERTILIZE THE RICH MAN'S FIELD BY THE SWEAT OF THE POOR MAN'S BROW. Ordinary tyranny, oppression, excessive taxation, *these bear lightly* on the happiness of the mass of the community, compared with FRAUDULENT CURRENCIES, and THE ROBBERIES COMMITTED BY A DEPRECIATED PAPER. Our own history has recorded for our instruction enough, and more than enough, of the DEMORALIZING TENDENCY, the INJUSTICE and INTOLERABLE OPPRESSION, on the virtuous and well disposed, of a DEGRADED PAPER CURRENCY, AUTHORIZED BY LAW, OR IN ANY WAY COUNTENANCED BY GOVERNMENT.”

Thus spake the “godlike” Daniel in 1832, and never was a heathen god more oracular, nor ever uttered truer responses. If Mr Webster had carried out in practice the doctrine he preached, had he ever lived up to the principles he promulgated in the extract I have made from his speech in 1832, he would have been the idol of the American people; and risen to the highest honors of the Republic. But, with such eloquent words of truth clear as sunlight, he has descended from the high sphere in which his superior intellect fitted him to move and shine, and consented to become the mere attorney, retainer and pensioner of the very corporations he denounced. What perversion, what degradation of the noble attributes of intellect!

*Facts and conclusions in relation to Exchanges, Foreign and Domestic.*

Closely connected with the Banking System are *Exchanges*. A great deal is said about exchanges which is just as pregnant of ignorance as it is devoid of truth. Banks are called the “*regulators*” of exchanges, and the U. S. Bank the *Chief “Regulator.”* But Banks are in fact the *disturbers* of exchanges, and the U. S. Bank the *greatest* of the *disturbers*. A little analysis will prove the truth of this proposition. My reasoning on this subject will, as the logicians say, be a *posteriori*, i. e. reasoning from effects back to causes. I know of no other way to discover causes, but to search for them, in the effects which they produce. When business of all kinds is prosperous, and there is great demand upon the Banks for accommodations and none for specie, they go along swimmingly. But when a “pinch” comes, they can no longer accommodate borrowers, but in fact they distress them, by compelling them to pay what they have borrowed.

Just so with exchanges when they attempt to regulate them. When every thing is prosperous they can deal in, that is, “regulate” exchanges as well as any body. But when trade becomes deranged by the unnatural accumulation of large balances at different points, then exchanges become deranged, and *and the derangement is aggravated by the action of the Banks*; because, by doing that business in favorable times, the community get into the habit of relying upon the Banks for that species of accommodation; and when they refuse, disorder immediately ensues; exchanges rise, and the whole is charged to that poor pack-horse of sin, the Government. A few facts, the best weapons which I can use, will incontrovertibly prove this position. But, in the first place, it will be proper to enquire into the nature of true and legitimate exchange; and we shall find that it is not a thing so very difficult to comprehend as many imagine. In its commercial signification, it is simply the difference in value between cash funds in one country, and cash funds in another; or between cash funds in one place, and cash funds in another in the same country; and that difference is, when exchange is regulated only by the operations of trade, its only real and natural regulator, simply *the cost and risk of transporting cash funds from one country to another; or from one place to another in the same country*. For instance, the regular difference of exchange between New York and London, is from 7 to 9 per cent.—That is to say, if A residing in New York, owes B \$100, residing in London, it would cost him \$9 to pay it in New York, because the transportation and insurance on \$100 in specie from New York to London, is worth \$9, and thus \$9 is called the difference of exchange between New York and London. The same remark is true of exchange between New York and New Orleans, or between any other given points, the rate of exchange varying according to the cost of transportation, and the risk of transmitting specie. The operation between New York and London is this:—C. has funds in London. A. residing in New York, owes B. residing in London, and, in order to pay him has got to send the specie, or get somebody who has cash already there, to pay the debt. He ascertains that C. has it. He goes to him and pays him \$9 on a \$100, to pay his debt in London, which would be just the cost of getting the specie there. Thus, C. gets his money from London, and A. pays his debt there, without the transportation of a single dollar either way, and no other trouble except drawing and transmitting a Bill of Exchange, which is a simple request by C. to his Banker in London, to pay A. or his order, who endorses it to B., who calls upon C's Banker, gets the money and thus the debt is paid. But if no body can be found who has cash in London, or its equivalent, credit, specie must be transported.

The trade between two nations is, in substance, like a ledger account between two individuals. One man sells articles to another, and purchases articles which the latter produces.



They keep an account of their trade, and when the end of the year comes, they cast up the debt and credit sides of their ledgers, and the balance on whichever side it is found, must be paid in cash, if the one to whom it is due will not take something else in lieu of it. Such would be the course of both foreign and inland exchange, if all countries had a uniform and permanent medium, or measure of value, like gold and silver. But that is not the case, and *the derangement of the currency, or alteration of its relative value between two countries, or two places, deranges the exchanges.* And as Banks furnish paper money, thus diluting and depreciating the circulating medium, and causing this derangement, they are the authors of all the disorders which ensue. I will appeal to facts for the truth of what I say, and if there be any one who doubts, I would refer him to a very valuable document published by order of the U. S. Senate at the last session, containing the prices of exchanges, and the value of paper money and specie in the markets of Philadelphia and New York, from 1814 to May 1838, which contains an immense mass of facts, that bear with irresistible force upon this very point. I will take the prices of exchange during the late suspension of specie payments, to illustrate my views. At such periods, specie, after struggling a long time to keep up the value of paper without success, disunites from it, ceases to be currency, and becomes an article of merchandize. In June 1837, foreign exchange, instead of being from 7 to 9 per cent. above par, its legitimate rate, rose to 20 per cent. in the markets of Philadelphia and New York. Now what occasioned this great rise in exchange? Facts give the answer. *It was because PAPER MONEY had depreciated in value by ceasing to be convertible into specie,* and it took 110 or 113 paper dollars to buy \$100 in specie in New York, or 120 paper dollars in New York to buy \$100 in specie in London. The tables quote American gold at a premium of \$110 and \$113; that is to say, it took \$110 in paper to buy \$100 in gold in New York. This circumstance led to the remark "that specie *had risen,*" when in fact *paper had depreciated,* from ten to thirteen per cent. Specie never rises nor falls in value. It is the paper which, like all other articles is measured by specie, that rises and falls, and this change in value is produced by its abundance or scarcity. Thus by the action of the Banks, — by suspending specie payments and thus depreciating their own currency — the Foreign Exchanges were disordered. The same effect produced by the same cause, was more strikingly visible in the *Domestic Exchanges* of the country. At one period during the suspension, as appears by the Document before referred to, the price of exchange between New York and Boston was 3 per cent., between New York and Philadelphia about the same, between New York and New Orleans 12 per cent., between New York and Mississippi 30 per cent., and so on. Now why was this great difference? *It was in consequence of the suspension of specie payments, and the consequent depreciation of paper money.* The difference of exchange between New York and the places named, was just the amount of the depreciation of paper issued at those places in the New York market. It took just \$103 in the paper of the Boston Banks, to buy \$100 of the paper of the New York Banks, for that was the par standard of value then and not specie, the latter being worth ten per cent. more than New York paper, and consequently, it would have taken \$113 of Boston paper to purchase \$100 in gold in New York. At the same time it took \$112 in New Orleans paper, to pay \$100 in New York. It will be seen that *the increase of the price of exchange, kept pace in a reverse ratio, with the depreciation of paper money.* But when the Banks resumed, exchanges were improved; and at this period *without* the aid of the "Great Regulator," they are lower than they have ever been before. Exchange between New York and Boston is now at the nominal rate of  $\frac{1}{2}$  of one per cent.; between New York and New Orleans  $1\frac{1}{2}$  per cent.; between New York and Mississippi it is still high, because the Banks of that State have not resumed, and the value of their paper consequently is below the specie standard. By recurring back to 1816—17, during the war suspension, the same phenomena in the exchanges and currency presented themselves. Thus do facts irrefragably establish the truth of the position, *that Banks are the DISTURBERS, and not the REGULATORS, of Exchanges.* There is no other real and safe regulator of exchange, except the natural and irresistible laws of trade. And all efforts to improve those laws are just as puny and absurd, as it would be for man to invent a machine in order to aid the Supreme Being in regulating the movements of the Universe. Such inventions derange the natural laws, produce confusion, and always return to plague the inventor. The laws which Providence has imposed upon the physical, moral, and social world, are fixed and immutable, and cannot be violated by men, without the certainty of incurring a penalty or punishment, commensurate with the extent of the violation. But, on this doctrine of Exchanges hang "all the law and the prophets," & the Banks too; & particularly the U. S. Bank.— For the friends of that institution have urged as their great argument, that it was necessary to regulate the currency and exchanges. And as a consequence of its absence, or non-existence, they have predicted repeated disorder and derangement. They could with more safety have predicted such effects during its existence, for, as we have seen, it is one of the direct producing causes of derangement and disorder in the currency and exchanges. But I will extend my predictions farther. I will prophecy derangement in the currency and exchanges, just as long as our rotten, fraudulent system of Banking and currency exists in its present form. But it should be remembered that the federal party charge all the evils produced by the Banking System, to the Government. You all doubtless recollect



that the Jews had, in olden times, a "scape-goat" for their sins and iniquities; the panic manufacturers and distress-makers of modern times must also have a scape-goat for their faults and misfortunes, and the poor Government is just the animal to answer their purpose. But when we look into the causes of the evils of which our opponents complain, how pitiable does their ignorance appear; or how gross their deception, and how reckless their knavery!

I will here briefly consider the political and moral effects which corporations generally produce in a community.

#### *Corporations create a Monied Aristocracy.*

They create a monied aristocracy, which, being the most sordid and soulless, and possessing nothing to ennoble and elevate its members, either morally or intellectually it is the meanest, most contemptible, most grinding, and most oppressive, of all the species of aristocracy which ever cursed a nation. In this country as in England, the corporation system is the very seat and citadel of aristocratic and federal power. The Edinburgh Review, in speaking of the whig party of England, most truly says:—"The strength of the whigs lays in the great Aristocracy, in the CORPORATIONS, and in the TRADING or MONIED INTERESTS." Is not the remark true of the "Whig" party of this country? Does not their strength lay in the CORPORATIONS, and the TRADING and MONIED INTERESTS? Are not the Banks, the merchants, the manufacturers, the capitalists, with few exceptions, on the side of the "whig" or federal party of this country? It cannot be denied. But I will return to a consideration of the political and moral effects of corporations. And first as to their political effects:—In this country we have not, indeed, a privileged order, recognized by our constitution and laws—an aristocracy of noble blood and hereditary titles. The genius of our institutions is against the existence of such a power in the State. But we have what is worse, a *Monied Aristocracy*, without titles, noble blood, and the elevating recollections of the deeds of illustrious ancestors, and to a great extent, without commanding intellect, to dignify and sustain it. *And this aristocracy is built upon the corporation system of this country.* In order to sustain the aristocracy in England, the law of primogeniture, which gives the estate to the oldest male heir, leaving the younger male and the female branches to look out for themselves, has been adopted. By the operation of this law, immense estates are accumulated & perpetuated in the same family, from generation to generation. The corporation system of this country has precisely the same effect. By the aid of acts of incorporation large masses of property are concentrated in one, and kept in that form from successor to successor, and probably will be, as time elapses, from age to age. "Money is power," and its power increases in proportion to the mass. Thus, while our institutions repudiate the idea of an

aristocracy of any kind, our *anti-democratic legislation* has created an aristocracy in the very midst of us. It is seated in every considerable village; it is perched upon every water-fall. Its social influence is felt in the different castes which it establishes in every considerable village, and its political power is alarmingly visible in the elections. From these general remarks I would not be understood as being opposed to corporations of every description. Many of them may be of a very useful character. My purpose is to show that they are a violation of the DEMOCRATIC PRINCIPLE, and the benefits resulting from them, ought to be equal to the sacrifice of principle which a democratic community makes in creating them.

#### *Deleterious influence of Corporations upon elections.*

The moral effects of corporations are more deleterious; and of Banking corporations more than all others. Corporations in this country, are like the old feudal barons of England. Like them they have their hordes of retainers, vassals, and dependants about them, bound to them by the strongest ties of interest, and obliged to fight their battles and sustain their power. The manufacturing corporations of this country have their *stockholders, agents, clerks and operatives*; the Banking corporations their *stockholders, directors, cashiers, clerks and debtors*; constituting altogether an immense army, whose power is directly felt at the Ballot Box, and always in opposition to the party supporting the Democratic policy in the Government of the country. We have only to refer to the election of March last in this state, for examples to illustrate this remark. Every village in this state with, I believe, but two exceptions, in which a Bank, or a Manufacturing corporation of much capital and power was located, gave majorities against the Democracy, while the *agricultural* towns, with few exceptions, were Democratic. The immoral influence which they exert through the power which they possess, is seen in the effect which they produce upon the fears of the dependant voter, inducing him through his necessities, to violate his conscience in supporting a policy of which he does not approve.

#### *Corrupting and demoralizing influence of Corporations upon the Bar and the Press.*

An equally dangerous influence, if not a more dangerous one, is brought to bear upon the morals and governmental policy of the country, by corporations through their connection with the legal profession, and by subsidizing the press. To establish this position we again have the irresistible "logic of facts and figures." The example of the U. S. Bank is sufficient for my purpose. That corporation, as appears by public Documents, loaned

In 1830, to fifty members of Congress	\$192,161
In 1831 to fifty nine members	322,195
In 1832, to forty four members	478,766
In 1833, to fifty three members	374,766



In 1834, to fifty two members	238,586
It paid in fees and loans to lawyers as follows:—	
To Mr Clay	\$40,000
To Mr Webster	58,000
To Mr Sargeant	30,000
To Mr Johnston	36,000
To Mr Poindexter	10,000
To the editors of Newspapers it paid as follows:—	
To Webb and Noah	\$52,000
To Jasper Harding	31,910
To Gales & Seaton	52,370
To Robert Walsh	6,541
To——— Wilson	2,027

The above are the operations of a single corporation. All have an immense patronage to bestow upon the Bar and upon the Press, in the shape of fees, subscriptions to newspapers, advertisements, and printing. This description of influence is vastly augmented by the Mercantile class, who are politically connected with the corporation interests. In the facts I have stated, may be found one of the reasons why so large a proportion of the Lawyers and the public presses, are found arrayed on the side of the Money Power. Thus does the Moneyed Influence of this country enter into, poison, and corrupt, the very sources of public intelligence, and the fountains of Legislation. A calm contemplation of the extent and vastness of this corrupting and demoralizing power, is enough to fill the heart of the patriot with fear and alarm.—Nothing can, nothing will save this republic from the fate which has befallen all others, except the virtue and intelligence of the agricultural and laboring portions of our countrymen.

*Concentrated and tremendous means, wielded by the Money Power.*

To demonstrate to the mind as clear as the light of the sun, the vastness and the potency of this tremendous and corrupting influence, we have again only to appeal to facts and figures. The Banking capital of this country amounts, in round numbers, to THREE HUNDRED AND THIRTY ONE MILLIONS OF DOLLARS. In this sum the *Stock holders* of Banks are interested, and of course, influenced by it. In their corporate form, they derive great advantage from it, which they could not derive in any other way. They will, therefore, exert every power to retain the privileges which they possess. The aggregate amount of the loans and discounts of the Banks in the United States, in Dec. 1837, as appears by the report of the Secretary of the Treasury, was in round numbers FIVE HUNDRED AND TWENTY-FIVE MILLIONS. This vast sum creates another immense army of Bank dependants in the shape of *Debtors*, who are more completely within the power of those institutions, than any other class. It is a maxim the world all over, that "the borrower is the servant of the lender." It can, therefore, be readily imagined what a vast number of "*servants*" such an immense sum will attach to the Bank service. The amount of the Deposites in the Banks at the time last mention-

ed, was, in round numbers, ONE HUNDRED AND TWENTY-SEVEN MILLIONS. This sum creates another respectable brigade of Bank adherents in the shape of *Depositors*. The manufacturing interests wield a capital of ONE HUNDRED MILLIONS, and they furnish their quota of troops for the service of the Money Power. The mercantile interests wield a capital of at least TWO HUNDRED MILLIONS, and they turn in their horde of myrmidons in the shape of *Clerks, Debtors, and Dependants*. Thus the concentrated power of TWELVE HUNDRED AND EIGHTY-THREE MILLIONS OF DOLLARS, is brought to bear upon the *politics* and *morals* of this republic, and against the Democracy. Its immensity is enough to astound us, and fill us with dismay. But to counterbalance, in part, its influence, we have the aggregate capital of the agricultural interests still greater, but not so concentrated and powerful, with its annual production of a THOUSAND MILLIONS. And besides, we have the *stout arms* and *patriotic hearts*, of a *virtuous, intelligent, and incorruptible* YEOMANRY.

*Effects of the corporation system in England.*

The operation of the corporation system in England, has produced the most deleterious and melancholy effects upon the mass of the people. While it has enriched the *Few* enormously, it has impoverished the *Many*, and reduced them to the lowest state of degradation. It has had a palpably direct tendency "to make the rich richer and the potent more powerful;" while it has effectually robbed the operative, or producer, of the scanty pittance earned by his sweat and toils. Through the instrumentality of this policy, *white* slavery exists in England in more hideous and revolting forms, than *black* slavery in this country. Whilst in that country, the poor operative is free *in theory*, in truth he is one of the most abject of slaves. He is enslaved by the irresistible and inexorable necessity of circumstances, which dooms him to the most cheerless & hopeless servitude, to starvation & wretchedness. And what makes his fate more aggravating, is, that it is the result of a cruel, heartless, and atrocious system of legislation, which professes to consult his best interests while it wrenches his scanty earnings from his grasp, to give to him who does not earn. It is stated in "Marshall's statistics of the British Empire," that, on investigation it has been ascertained, that in England, Wales, Scotland and Ireland, there are two hundred and seventy-five thousand nine hundred and four persons, who are supported without labor, and in wealth and luxury, by the corporation and credit systems of England; and "that nearly one hundred human beings have been brought down to a state of permanent servitude, in order to maintain each of these unproductive consumers in affluence and splendor." [See Democratic Review for Nov. 1838, p. 199.]

*Jefferson's opinion of Banks.*

I will conclude my remarks upon the nature, effects, and influence, of corporations, with a



short extract from the writings of the immortal Jefferson. His words were indeed prophetic, but time has transformed them into history. He says :

"In copying England, we do not seem to consider that like premises induce like consequences: The *bank mania* is one of the most threatening of these institutions. *It is raising up a MONEYED ARISTOCRACY in our country which has already set the Government at defiance and although forced to yield a little on the first essay of their strength, their principles are unyielded and unyielding. They have taken deep root in the hearts of that class from which our legislators are drawn, and the sop to Cerberus, from fable, has become history. Their principles take hold of the good, their pelf of the bad, and thus those whom the constitution has placed as guards to its portals, are sophisticated or suborned from their duties.* That paper money has some advantages must be admitted, but its abuses are also inveterate, and that it, by breaking up the measure of value, makes a lottery of all private property, cannot be denied. Shall we ever be able to put a constitutional veto upon it?"

*Subject well understood by the People.*

It may be said that the subjects of which I have been treating, and particularly, the subjects of currency and exchange, are too profound for the common mind to comprehend. There is not, however, so much difference in the intellectual powers of men as many are apt to imagine. All elementary axioms, or first principles of philosophy, are plain and simple:—indeed, to the common mind, they are self-evident. Truth stripped of its disguises, is always simple, and addresses itself as powerfully to the unlearned, as the learned mind. Truth in the end will triumph over error. I cling to this truism as the cynosure of hope—the star of promise—shining bright and clear above the darkness of the storm, and penetrating and dispelling with its powerful rays, the clouds and mists of contention, doubt and error.

*Absurd pretensions in favor of Paper Money by its friends.*

It has been urged by the friends of the Banking system in this country, that it was one of the most valuable inventions of an improving age; that it is the promoter of civilization, and the handmaid of wealth and prosperity. These positions the enlightened democrat will deny *in toto*. Other countries have become enlightened, refined, and wealthy, without the aid of paper money Banks. The Athenians were as refined a people as the sun ever shone upon. And Athens, Rome, and Carthage, became rich and powerful, without the aid of Banks of circulation.—So did the Italian Republics of the middle ages, the Hanseatic Towns, Switzerland and Holland. Nor have they been troubled with the periodical panics which have afflicted paper money countries. Holland is probably the richest country on the Globe in proportion to its size and population, and it has become so without the aid of paper money. France is one of the richest and

most powerful kingdoms of Europe, and has, by providing specie for her entire *consumptive* circulation, relieved herself, in a great measure, from the evils of a paper system. Russia, Denmark, Austria, and England, have all, at some period, adopted a paper medium, and all have suffered more or less from its evils. It is not, therefore, true, that a paper currency, or credit system, as its advocates dignify it, is the promoter of civilization, wealth, and refinement; and that Banks are the dispensers of life, light, and liberty to a benighted people,—as has been assumed by their friends and supporters.

*Causes of the prosperity of the country not Paper Money.*

The causes of the extraordinary prosperity of this Republic, are to be found not in its paper system, but in its variety of soil and climate; in its people deriving their descent from the Saxon race; and above all, in its free institutions, which protect all, and call forth all the physical, intellectual, and moral energies of the people.

*The Working or Producing classes—General Education.*

The most valuable, the most profitable, and most virtuous portion of the People of any country, is that which is composed of the agricultural and laboring classes. A virtuous and independent yeomanry is the richest boast which any country can make. They have ever proved themselves to be the true friends, and the real conservators, of liberty. But neither they, nor the mechanic classes, have ever had that weight and influence in the legislation of the country, to which their numbers and their aggregate wealth and importance, entitle them. They furnish by their labor, all the necessities & comforts of life, and the aliment of commerce. They are the great producing classes of society. When the farmer has produced by his labor, always with the blessings of Providence, a bushel of wheat, a fleece of wool, or a bale of cotton, he has added so much to the real wealth of the world. When the mechanic or artizan takes that wool, or that cotton, and fabricates it into cloth, he has added as much more to the real wealth of the world as the amount of his labor. But the lawyer, the physician, the clergyman, the Bank clerk, and the vast host who raise nothing and make nothing possessing intrinsic value, add nothing to the aggregate wealth of the community. Some of the classes named are necessary in every community, but they live upon the production of labor. Many of them acquire immense wealth, while the farmer, mechanic, and laborer, who produce all, get rich but slowly, if at all. How does it happen that he who creates wealth by his toil, does not enjoy as much of the production of his labor, as he who creates none? The answer is to be found in part in the partial & unequal system of legislation which has been tolerated in the community. If the producing classes had acquainted themselves with the first principles of Political Economy, if they had investigated



the laws of production, they would never have con- py, he has the best claim to the admiration and  
 sented to a vicious, corrupt and partial, system gratitude of his fellow beings.  
 of legislation,—a system which robs them of I have already extended my remarks far be-  
 their hard earnings as effectually as though their yond the limits I designed at the outset, and I  
 money were demanded under the terror of the fear, that beyond endurance the patience of  
 a robber's pistol. *What then is the remedy?* Those who hear me. I cannot, however, close  
*It is to be thorough, and general education of the* without a parting glance at one or two of the  
*producing class.* That education should compre- subjects, now under discussion, by the two par-  
 hend the first principles of Political Economy, ties into which this country is divided.  
 and of Legislation. It has been truly said that  
 “Money is Power.” It is so indeed, and it is a  
 power antagonist to liberty, and to free insti-  
 tutions. But, KNOWLEDGE is a greater power, and  
 in that power lays the very existence of freedom  
 and republicanism. “Education,” says a dis-  
 tinguished British statesman,\* “is the cheap de-  
 fence of nations.” Can then any sacrifice be too  
 immense to diffuse among the masses, so great a  
 blessing? Is it possible that any community  
 of freemen, would refuse to tax themselves lib-  
 erally, to promote an object so glorious, so im-  
 portant, so worthy, so important? But money raised  
 for such a purpose is not lost. The same writer  
 most beautifully adds—“Taxes for the support  
 of education, are like vapors, which rise only to  
 descend again to fertilize the earth.” Educa-  
 tion is the only means by which the working  
 classes can gain that intellectual, moral, and po-  
 litical influence and power in society and in Leg-  
 islation, to which their numbers and importance  
 give them just claim. Man without education,  
 like the unthinking brute, is governed by im-  
 pulse and passion; but educated, reason asserts  
 her power, and controls and regulates passion.  
 Intellect will ever assert its supremacy over  
 mere physical force. The great mass of men  
 should be set to thinking and reflecting. I care  
 not what lashes the vast ocean of mind into  
 commotion. It may even be error and false-  
 hood. In the end it is sure to work itself clear.  
 Then the tempest ceases its raging, the waves  
 subside, truth triumphs, and sheds its radiant  
 beams over the peaceful and silent waters.

*The Intellect of the country is with the Democracy.*

The Intellect of the country is with the De-  
 mocracy. The most illustrious names in the  
 Republic of letters are to be found arrayed on  
 the side of the DEMOCRATIC PRINCIPLE. The  
 Commonwealth of letters is in truth founded up-  
 on that principle. In the Literary Republic no  
 one, rich or poor, noble or ignoble, bond or free,  
 rises permanently to distinction, except upon  
 real merit. There is no just distinction except that  
 which nature has created. Intellectual pre-emin-  
 ence is the true nobility. Men instinctively  
 worship intellect, and the homage is as justly  
 due, as it is cheerfully rendered. It comes alike  
 from the monarch and the serf, the patrician  
 and the plebeian. Superior talent is but superi-  
 or illumination from the Source whence all mind  
 emanates, and he who possesses it possesses the  
 best patent of nobility; and if he uses it in the  
 great and holy cause of liberty and philanthro-

#### *Expenditures of the Government.*

The great topics of clamor by the Opposition  
 at the present time, are the *Expenditures of the*  
*Government*, & the *Independent Treasury* scheme.  
 The organs and orators of that party, do indeed  
 deal in considerable general declamation about  
 the tyranny, corruption and wickedness, of the  
 Government; but when sifted and analyzed, it  
 means nothing. The two most prominent and  
 most plausible charges, are the expenditures of  
 the Government, and the “odious Sub-Treasu-  
 ery.” With regard to the expenses of the Gov-  
 ernment every reasonable man would of course  
 suppose, that, as the country advances in years,  
 and in wealth and population, the expenditures  
 of the Government must necessarily increase.  
 We must have more members of Congress, and  
 clerks, to pay at home, and more ministers, con-  
 suls, &c. abroad. We must send more ships to  
 sea to protect our commerce, and have more sol-  
 diers at home to guard our frontiers, as the  
 wave of population rolls onward. These would  
 necessarily increase the expenditures of the  
 Government. But, it is a fact which I will not  
 attempt to disguise, that the expenses of the  
 Government have been very great; yet it is  
 equally as true, that the Administration has ex-  
 erted all its influence to prevent the increase of  
 unnecessary expenditures. There are two cau-  
 ses which will account for the increase, viz: 1st,  
 extraordinary circumstances in the external and  
 internal affairs of the country, requiring extra-  
 ordinary expenditure; and, 2d, the uniform and  
 persevering efforts of the federal party in Con-  
 gress, to increase the public expenses, in order  
 to create a pretext for clamoring against the Gov-  
 ernment for its prodigality. Well authenticated  
 facts establish the truth of what I say.

During the four years of Mr Adams' Administration the aggregate ex-	
penditures of the Government were \$52,535,994	
Average annual expenditure	13,133,998.
During the four first years of Gen. Jackson's Administration the ag-	
gregate expenditures were \$53,050,000	
Average annual expenditure	13,262,500.
During the six subsequent years the	
aggregate expenditure was \$145,203,419	
Average annual expenditure	24,200,569.
Take from this last sum, the average	
annual expenditure under Mr Adams	
	13,133,998

And it will leave a yearly excess of 10,866,571

\* Edmund Burke.



Making an aggregate excess for  
six years of

65,190,425

During that period of time the population of the country has increased nearly one *third*. It would not be unreasonable to suppose, that the necessary expenses of the Government should increase one *fifth*. If so

Take from

65,190,425

The reasonable aggregate increase of expenses for six years, which amounts to

15,760,782

And it leaves

819,430,641

to be accounted for. That excess is accounted for thus, viz :

1. The disbursements of the P. O. Department for 1836 and 7, which were never included in the appropriations until 1836,
2. The increased amount paid for Pensions
3. The foreign Indemnities obtained by Gen. Jackson, for the very men who now clamor against the Government, were first paid into the Treasury, and disbursed to the claimants by appropriation
4. Received in trust for the Chickasaws and other Indians, and invested by appropriation
5. Drawback duties paid to Merchants

89,000,000

4,000,000

5,275,000

2,395,000

475,000

[The above cannot be called actual expenses.]

6. Expenses of the Black Hawk war, Creek outrages, &c. at least

20,000,000

7. Paid to extinguish Indian titles

6,500,000

47,725,000

1,655,000

Leaving an excess of which trifling sum only can be charged to the account of extravagant appropriation. None of these expenditures nor any of a similar kind, were required, or made, during Mr Adams' Administration.

*The Federalists in Congress the true cause of extravagance if there is any.*

The facts I have adduced are drawn from public documents, and are therefore indisputable.— And the documents and Journals of Congress show, that the Federal opposition in that body, with no other apparent object than to afford a pretext to abuse the Government for its extravagance, attempted to swell the public expenditures to a vastly higher amount. And they prove, too, beyond the power of contradiction, that the Federal members of Congress voted for appropriations beyond the estimates of the Secretary of the Treasury, amounting to more than SIXTY-NINE MILLIONS OF DOLLARS, and more for appropriations exceeding the estimates of the Secretary in the enormous sum of NINETEEN MILLIONS. That party is, in truth, the author of all the extravagance of the Government, if there has been any. Sometimes they

have induced a few of the Democratic members, influenced by local considerations, to go with them. Thus are the Federal members themselves, the very perpetrators of the sins which they charge upon the Government. In private life, such conduct would be denominated as the blackest of villainy; in political life, it is all right, because it is done by the party who possess all the morals and religion of the community.

### *Independent Treasury System.*

I have a few words to say in relation to the Independent Treasury System, more with a view to show by facts, that it is a safer system than the Bank Deposit System, than to explain its nature, for that is now pretty well understood by the people. It proposes a separation of the business of the Government from the Banks.— That is its great principle. Its most important feature, is collecting the Government revenues in gold and silver. This would operate as a check upon the Banks, and by calling upon them frequently for specie, it would prevent their ruinous expansion and contractions. The annual expenses of the system would be from 20,000 to 30,000. It would probably keep in deposit and in transit, about four millions of gold. But it would consummate the great object which every citizen should annually desire,—the independence of the Government of the Banks. Under this system while the People's money would be safer, it would also be ever at their disposal through the Government over which they always have control. If this Nation were at war with another power, the Banks could compel it to submit to an ignominious peace, by suspending specie payments, and thus keeping within their own vaults the People's money, and depriving the Government of the means to carry on that war successfully. This alone is a sufficient argument in favor of the separation of Bank and State. The war secret of the strenuous opposition of the Bank party, to prevent the adoption of that System, is, *to concentrate the Government of the People, and bring it in contact and control of the passions of the Banks.* The Government would not be a representative Democracy, but an oligarchy of Banking corporations. But I proposed to confine my remarks to the safety and expediency of the system. In order to show the danger of entrusting the powers of the Government with its revenue, the opposition have hunted up the name of every defaulter since its foundation, and have accumulated the aggregate amount of all the embezzlements to be about one million of dollars. The fact has been paraded in the columns of every Federal newspaper from Maine to Georgia, in order to show the danger of entrusting the management of the public money to men, who are of various and scullery corporations. The following list, the Government has just after a full and complete list included, by Banks & Banknotes. From 18



17 to 1834 there were deposited in Banks nearly \$350,000,000 from which a loss of \$1,254,421 was sustained. From the organization of the Government nearly \$10,053,006,000 have passed through the hands of its officers, on which a loss of only about \$1,000,000 has been sustained by defalcations. Besides, \$70,000,000 have been coined at the Mint, not one cent of which has been lost. Thus it appears that the loss by Government officers, is less than one *tenth* of one per cent. while the loss sustained by the Banks, is one and three tenths per cent. Facts, therefore, triumphantly vindicate the superior safety of the Sub-Treasury. These facts are to be found in Mr Woodbury's letters to Congress, & it is but justice to say, that Mr W. is one of the most accurate and indefatigable statistical writers of this country, and one of the ablest Secretaries who have presided over the Finances of the Nation, as time will clearly demonstrate.— But the checks and restraints upon the officers of the Government, will be still stronger under the Sub Treasury System. Heavy bonds will be required, and the improper use of the public funds will be made felony, and punished by imprisonment in the penitentiary. The only security we can have for the fidelity of the Banks, aside from that furnished by way of the bonds and guaranties of friends, is the honor of their managers. They have no bodies to be held to bail, nor imprisoned, for a breach of trust. It is perfectly absurd to suppose that men will be more likely to do their duty while sheltered beneath a charter, and beyond the reach of the law, than under a full exposure in their persons and reputations, to the heavy penalties imposed by law for a breach of trust.

If, at any time there could have been any doubt as to the practical operation of the Independent Treasury, all doubt respecting it is now dispelled. Since the suspension of specie payments, more than eighteen months since, the system has been in operation—it was forced upon the Government by that act of the Banks, and by other violations on their part, of the Deposit act of 1836. The Government had no other recourse but to receive and disburse its revenues by its own officers, because the Banks, having violated the laws, and forfeited their contracts with the Government, it could not employ them. The Independent Treasury has, therefore, been in operation more than eighteen months, without, indeed, the checks and restraints proposed by the Administration; and under its salutary operation the country has risen from the late commercial paralysis, and prosperity again crowns the efforts of honest industry with its rich rewards.

The opposition have confidently predicted that business would not again revive, and prosperity again return, until the "wicked" and despotic measures of the Government were reversed, and a National Bank established. The Government has pursued its just and wise system of policy

and a National Bank has not been created; yet, business has revived, and prosperity has returned. Thus has time proved the federal soothsayers to be false prophets—it has induced that party to throw (or rather pretend to throw) the Bank overboard.

*The Federal Party sinking as the country rises.*

The late pressure and panic were brought upon the country by the action of the very institutions, and the very system of policy, which the Federal Party sustains. And like evil spirits of mischief, the federalists joined in the wicked work of the Banks, and did all they could to aggravate the panic which the Banks induced, for political purposes. Their only hope is from the embarrassments of the country and the suffering of the people. Wilberforce very truly remarked of the English whigs, that they were "*Glad to see just so much mischief befall the country as would bring themselves into office.*" [Life Wilberforce. Vol. 2, p. 181.] He could not have described in more graphic terms, the 'whigs' of this country. They exult to see mischief befall the country, that, in the suffering and confusion incident, they can persuade the People, that it is to be attributed to the measures of the Government.— "*They rise as the country sinks, and sink as it rises*"—to the true patriot a most melancholly and appalling fact. Never was its truth more clearly demonstrated than in the results of the late panic. When the country was convulsed from centre to extremities, with the distress and suffering which swept over the land like a desolating tempest, the Federal Party rose in the ascendant. — State after State fell into their hands. And now, ere the effects of the storm have subsided, they have again gone down—almost sunk into the same restless, croaking, and vengeful minority in which they have remained, with little exception, since the organization of the Government. They have lost nearly everything they gained, and nothing but a diminished majority in New-York keeps their courage up for another campaign. One year more will sweep that faction, whose principles are alien to our institutions, hostile to liberty, and opposed to the great cause of reform and improvement, into its usual and accustomed insignificance and oblivion.

On the other hand the Democracy have every thing to encourage them. The clouds which, in the gloomy period of the late commercial crisis, lowered over their cause, have been dispelled by the light of truth. The sun of prosperity again sheds its genial rays upon our beloved country, and with its return, have come cheerfulness, contentment, and satisfaction. Victory has also returned to the Democratic standard.— Nearly all that was lost during the last period referred to, has been recovered. One year more will complete the grand series of Democratic triumphs, by bringing those States which temporarily yielded to the fury of the storm, again into the republican fold.



*Remarks addressed to the Revolutionary Soldiers present.*

I observe in this assembly, some whose whitened locks and trembling forms, denote them to be men of the Revolutionary age. Venerable Fathers! To you this day must be one of grateful recollection—of thrilling association. The victory which we have assembled here to commemorate, is not, indeed, one in which you took part; but its object, and its moral effects, are the same. It confirmed and perpetuated the glorious principles,—the precious liberties, which you sacrificed your comfort and property, and perilled your healths and lives, to secure. It cannot but awaken in your minds, a lively remembrance of the trials, dangers, sufferings and sacrifices, which you endured and made, to purchase the rich boon of freedom which your country now enjoys. The illustrious hero of New Orleans is also a man of the Revolutionary age. When but a mere youth he shed his blood in that holy cause in which you were engaged, and in his maturer years, he “filled the measure of his country’s glory” on the battle field, by one of the most brilliant and remarkable victories which history records. Fathers,—I address you as such for I feel that you are such,—Fathers, you stand among us like the venerable oaks of the forest, whose aged tops have been scathed by the lightning’s shock, and withered by the frosts of centuries. You are the landmarks and monuments which remain here, to betoken the existence of a by-gone age. You lived in “times which tried men’s souls.” You saw death thick around you on every side—You beheld distress and suffering in every form and in every place. If you failed in the perilous enterprise in which you had embarked, your inevitable doom was the halter. But you were engaged in a righteous cause—in the cause of Independence. The love of country fired your hearts with courage, and the love of liberty nerved your arms with strength. You fought and conquered. And how much wrong and suffering have you saved your country! How much joy and happiness have you diffused among your fellow beings, by your heroic acts! Fathers, carry back your memories to that past, but renowned age in which you were the prominent actors. Then the echoes of the savage war-whoop had scarcely died away on the plains where our towns and cities are now built. Forests then crowned the hills where peaceful herds now ruminant; and wild beasts haunted the vales now teeming with the ham of the busy village. Contrast the condition of our beloved country as it then was, with its condition at the present time. We have grown up a great and mighty people. We are become one of the proudest and most powerful nations of the earth. Religion here has reared her sacred fanes, Education her classic halls, and happiness and prosperity every where abound. This, venerable fathers, is the work of your hands, and of your compatriots of the Revolution. We owe you a debt of gratitude which

we can never repay. But, you will not go unrewarded. You will receive your justly merited reward in that world to whose portals you have now nearly arrived. But, would to God that you might forever remain among us, to teach by your examples, the holy lessons of patriotism.—The destiny of man is death. You have escaped it on the field of battle to meet it at another day. But, you have, indeed been fortunate men. Your years are full. You have long been spared to participate in the rich blessings which you have secured to your beloved country. And when the Father of us all shall call you above, to receive you richer and higher than earthly rewards, remember, veterans of the Revolution, you will go attended by the plaudits and blessings of the millions of your grateful countrymen. We venerate your time-honored locks. We bow in homage before your steady and numerous virtues. And we shall bid adieu to your venerable forms, with eyes moistened with tears, and hearts full of sorrow.

*Remarks addressed to the Ladies present*

To the Ladies of this assembly! Your presence here on this occasion attests, that you too, are alive to those high and holy impulses of patriotism, which have led so many of your fathers, husbands, and brothers, to convene within these walls. No circumstance could be more gratifying to the friends of liberty, nor more clearly denote the progress of liberal principles. We are aware, that the usages and customs of society forbid, that you should participate in the rude and angry conflicts of the political arena. And this, too, is right. Heaven formed woman for a purer and more elevated sphere of action. It gave her a more delicate nature, and finer faculties, than it bestowed upon man. She was gifted with the power to fix his affections, and through the influence which the possession of those gifts confer, to temper his disposition, soften his manners, and refine his feelings. Through this source of influence, if she comprehends her true position, she may exert a power which is incalculable. Woman, in fact, holds within her grasp, the moral well-being of society. But, she has duties and responsibilities imposed upon her, commensurate with the power which she possesses. To woman is entrusted the duty of implanting in the infantile mind, those germs of character which are to be developed in the future man. It is her province to sow the seeds of virtue, morality, and love of country, in the minds and hearts of the rising generation. How vast the trust! How solemn the responsibility! It has been said that woman has nothing to do with politics. I grant that she has nothing to do with the low and vulgar contentions, which, under the garb of politics, divide and rend society into hostile and precriptive factions. But, she should be so far acquainted with politics in the true sense of the term, as to understand the nature and principles of the government under which she lives. Her heart throbs as ardently for liberty and indepen-



be as that of her companion of the other sex, her cheek flushes as deeply with the glow of patriotism, and her bosom swells as powerfully with the impulses of enthusiasm as his does, when the deeds of valor, or heroism, with which our country's history abounds, are recounted. Recur to the revolutionary age and behold what sacrifices made, what privations she endured, what dangers she displayed, in her country's cause.—Behold the feelings she possesses, and the momentary duties which devolve upon her, as the first of the human intellect and the former of human character, she should have that intellectual and moral training which is requisite, to enable her to fulfil the vast obligations which rest upon her. She should be qualified to form the character of the future men of the Republic.—She should be fitted to fill with fidelity and credit herself, the relations of mother, wife, and daughter, to American freemen. In the appropriate condition of life, she should be able to display talents like those of Cornelia, the celebrated matron of Rome. In fulfilling the sphere of her natural duties, the influence of woman is great indeed. But, when she steps beyond that sphere, when she aspires to wield the sceptre of state, to influence legislation, to control the action of official power; or, when she yields herself to the dominions of those fanatical hypocrites of the other sex, who tamper with her better feelings, and misdirect her generous sympathies, she exposes herself to certain derision and ridicule. The intellectual, moral, and religious world, is woman's true sphere. There serenity, peace, and happiness abound. We, who become perverted in heart and mind, by exposing ourselves to the contaminating influences, and by mingling in the rough conflicts and boisterous turmoils, of life, look to the home of woman for a clearer atmosphere, for a respite from the cares and perplexities of the world. Let her then study her true interests, and display in action, those qualities which are her peculiar gifts, and she may exert an influence in society, more potent than any other, and productive of the most salutary results.

She might with propriety make a single allusion to the illustrious individual, whose heroic deeds this day commemorate. The character of Gen. Jackson has been painted by his enemies in the most odious and revolting colors. He has been held up to the view, as a monster in human form, without a single virtue, or quality, to raise him from the rank of a brute, or savage. So often have those gross libels upon his character been reiterated, that many have at length received the impression, that they have some foundation in truth. This impression, has been prevalent, particularly among the women of England. But no impression could be far from the truth. Few men have ever existed with better and purer hearts, and more noble and exalted virtues. That the ladies of this republic should imbibe a dislike to Gen. Jackson, who is one of the most urbane, courtly, and chivalrous gentlemen of the age, is most unnatural. They have only to refer to his conduct in the defence of New Orleans, for the most convincing evidence of his chivalrous devotion to their sex. They cannot have forgotten that "Beauty and Booty" were the watchwords of the barbarian soldiery who were beleaguering that devoted city. The most unlicensed indulgence in spoil and plunder was promised to stimulate them to the conflict. At this perilous crisis who stepped forward and pledged his life to defend the city, or to perish in the last ditch? Who did save the city from pillage, and its defenceless women from the insults and violence of a brutal soldiery? It was Gen. Jackson. Gratitude for his chivalrous defence of the sex at New Orleans, should ever make the American women his warm and devoted friends. Pardon me for the allusion.

### Conclusion.

At the commencement of this address I alluded to the DEMOCRATIC PRINCIPLE. It is a Principle coeval with time, of perennial growth, and immortal vigor—the great and irresistible moral agent which has produced all the social and civil reforms that have taken place in the condition of man, since his first congregation in communities. It is the basis of Democracy, and the secret of all its vast triumphs and splendid achievements, in that great cause which has for its high and holy purpose, the physical, intellectual, and social liberty of the human race. It recognizes no government as legitimate, which is not founded upon the benign principles of Equity and Humanity. Its beneficent influences surround all, as the invigorating dews, the refreshing rains, and the genial sunlight of Heaven descend on all. And that Government which, in its dispensations, most closely imitates Providence in its government of the Universe, comes nearest to the spirit of the DEMOCRATIC PRINCIPLE.—Injuring none, it seeks to raise, elevate, and improve all. Its tendencies and sympathies are for the masses—for the great whole of the human family. Its great purpose is protection, not coercion and oppression. The great problem which it presents for the solution of time, is, to discover that amount of government which will secure to the individual and to society, the most perfect protection and the largest sum of happiness, with the least restraint. The cause of Democracy is the cause of Reform and Progress, and that glorious cause, as has been most truly and beautifully remarked, "*lives in the spirit of the age.*"—Let us then, my democratic friends, be faithful and true to the great trust confided to us as a party.

We shall have, as we have ever had, much to contend against. The enemies of freedom are ever plotting and striving to effect its overthrow. The price of Liberty is eternal vigilance and exertion. But we shall in the end triumph, not only here in this land, where the victory is now almost achieved, but in those countries that are still



trodden down by the ruthless foot of the despot and oppressor. Kings and Princes must bow before the potent sceptre which we wield—the sceptre of truth, justice, and philanthropy. Ours is, indeed, the cause of universal liberty, and the Poet hath assured us that—

“Freedom’s battle once begun,  
Bequeathed by bleeding sire to son,  
Though baffled oft is ever won.”

#### NOTE.

The author of the foregoing Address, finds, on reviewing the *data* on which his calculations are based, and from which his deductions are drawn, that, in his remarks on Exchanges, he overlooked an important element in the difference of Exchange between this country and England. He assumed, that the difference in Exchange between New York and England, would be simply the cost of transportation of cash funds, and the insurance thereon; which are the main ingredients that constitute the difference in Domestic Exchanges, when the currency is in a sound state. A more important element goes to constitute that difference. That element is the different relative valuation of the coinage of the two countries. In the prices current \$1,41 are assumed as the par of exchange on England. That is the pound sterling, according to the old valuation of American coinage, expressed in dollars and cents. The English sovereign gold coin, contains 113 grains and a fraction of pure gold. That coin is intended to represent the pound sterling. But, according to the new valuation of gold by the law of 1834, the sovereign is worth \$1.57 and a fraction, instead of \$1,41 4-9. The same weight, therefore, of American gold as is contained in the English sovereign, is not worth so much by 43 cents and a fraction, which is about 9 7-10 cents on a dollar. That amount must be added to the American dollar in order to make it equal in value to the English dollar. Therefore, an English gold coin, having the same weight with an American gold coin, is, according to the present mint valuation of gold in both countries, worth 9.7 per cent., or 9.7-10 cents on a dollar, more than the American coin. The great mass of facts collected, and the numerous calculations made by the author, which had to be done amidst frequent interruptions, and other occupations, which he trusts, furnish a sufficient apology for the error.

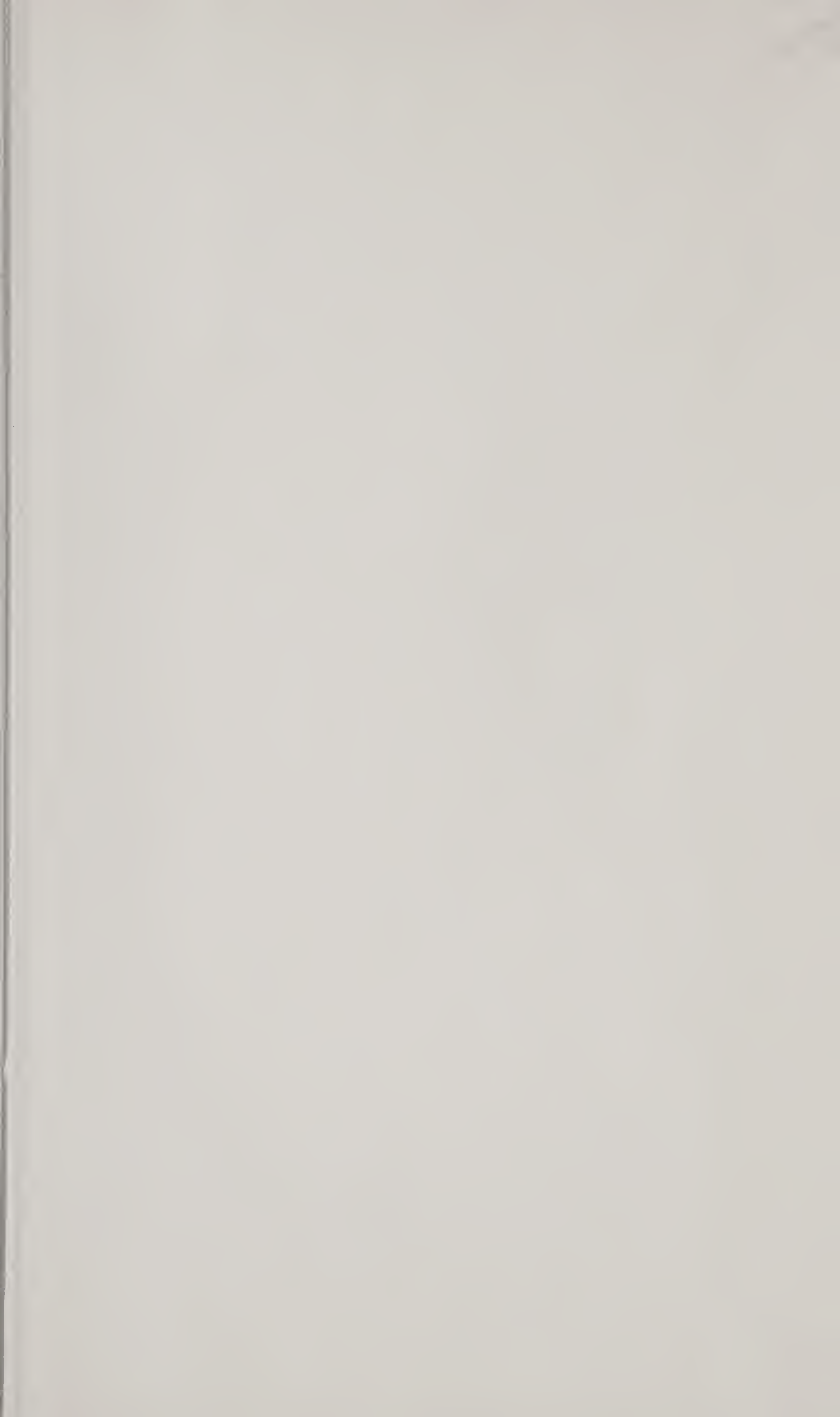
















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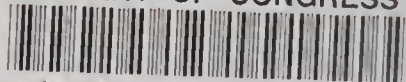


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